

W.I-30-10
M & M Stamps Reg'd.

GA20N Suite 117, Blackburn Building, 85 Sparks Street, Ottawa, Ontario - C8 3-8330

Z 1

Oct: 28, 1963.

-63A22

Mr. Lance Smith, C. A.
Chairman
Ontario Committee on Taxation
Room 900
88 University Avenue,
Toronto 1, Ontario.

Dear Mr. Smith:

One of my customers suggested that I write to you concerning the Ontario Retail Sales Tax.

Would you please investigate as to the legal status of a retail sales tax on mint postage stamps which are postally valid.

I think that there is something wrong in taxing Mint Canadian stamps valid for postage as they represent a 'receipt' of sorts. The reason this tax is charged is that, when sold over face, they are sold as collector items, not postage. I think that the fact that they will PROBABLY be put in a collection should not cause them to be taxed. THEY ARE STILL CAPABLE OF BEING USED FOR POSTAGE AND THEREFORE SHOULD NOT BE TAXED!

In 1874 all countries formed a postal union called the U. P. U. It represents the first international agreement made between nations. They agreed that each member will not tax another member's stamps. The reason for this is obvious. Is the Ontario Retail Sales Tax not in conflict with international law? Please check? This refers to stamps valid for postage in any country that is a member of the U. P. U.

I am guessing at the laws involved -- I am not a lawyer and cannot afford to hire one over this. I write, believing that your committee is set up to do it for me.

Quebec, by the way, has seen fit to obey the law of the U. P. U. and the Canadian post office -- why can't Ontario do the same?

I would also like to point out that, if I am correct, the administration of this would be almost impossible. What stamps from Turkey, for example, are still valid for postage?

I recommend that Ontario Sales tax be removed from postage stamps of any kind. This would cost the Ontario Govt. little, and remove the problems which tax on stamps create. There are few collectors who pay this tax anyway; most of the significant purchases are made in New York or in London. Believe me when I say that collectors do not volunteer this 3% if they can avoid it -- of this I am quite sure. Thus, we Ontario dealers are at some competitive disadvantage with outside dealers -- it costs only 05¢ to reach these outside dealers and save 3%.

Yours sincerely,

James McIntosh

